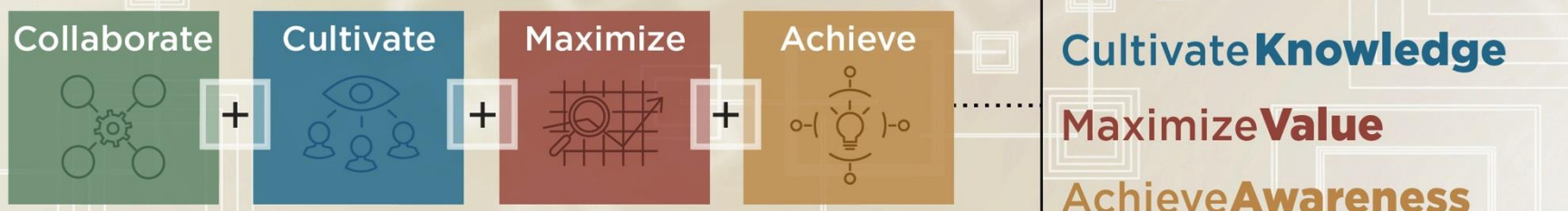


Professional Services & Human Capital Symposium

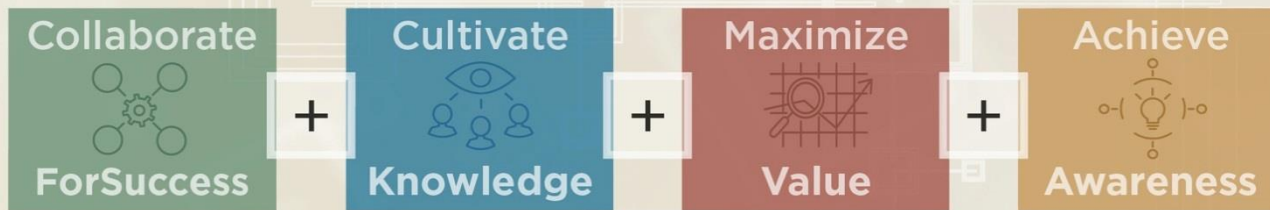
June 6-8, 2017 | Tacoma, WA



Personal Property Exchange/Sale - Saving Your Agency Dollars FMR 102-39

Gerard “Jerry” Penrose
Area Property Officer
U.S. General Services Administration

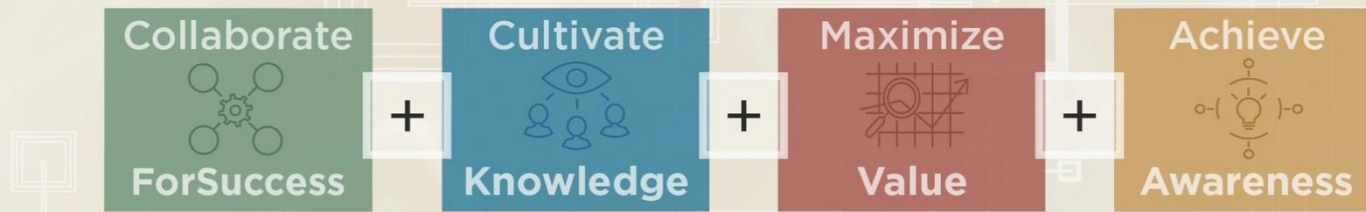
June 2017



What is Exchange/Sale?

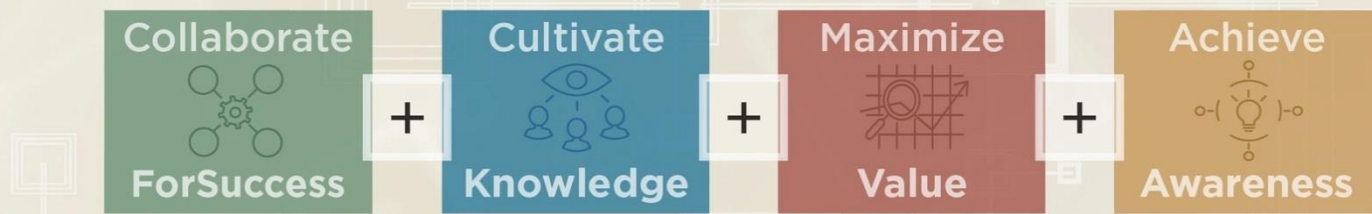
To exchange or sell non-excess, non-surplus personal property and apply the exchange allowance or proceeds of sale in whole or in part payment for the acquisition of similar property.





Important Definitions

- **“Acquire”** means to procure or otherwise obtain personal property, including by lease.
- **Replacement”** means the process of acquiring property to be used in place of property that is still needed but:
 - (1) No longer adequately performs the tasks for which it is used; or
 - (2) Does not meet the agency’s need as well as the property to be acquired.

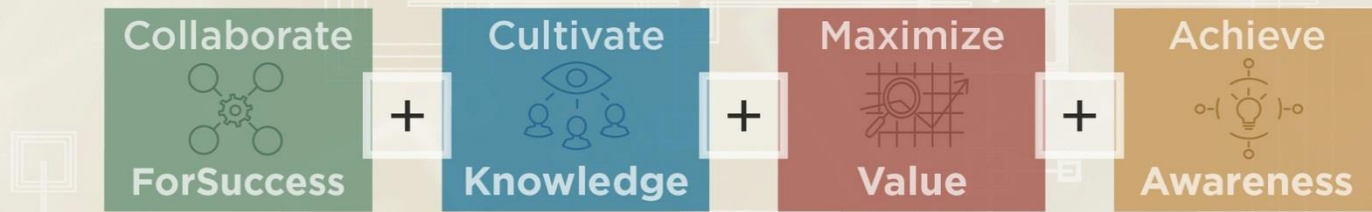


Exchange/Sale can be done two ways...

- Agency can trade in the property for a credit towards the replacement property;

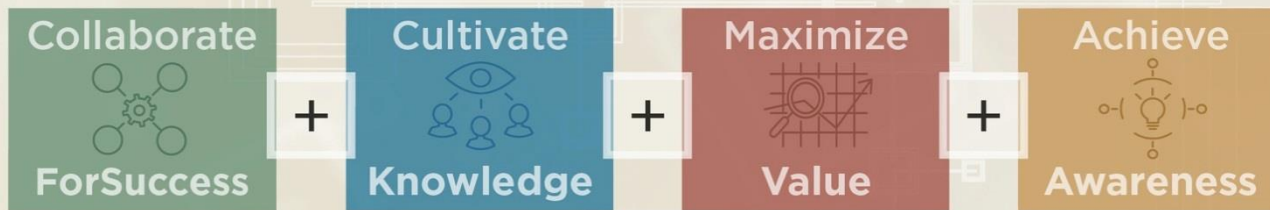
Or

- Agency can sell the replacement property and apply the money to the purchase of the new property.



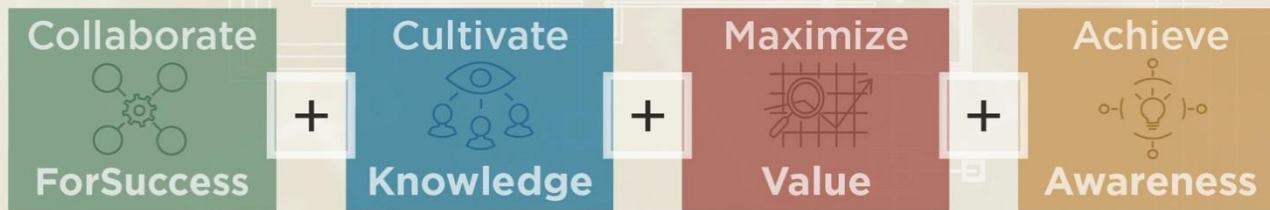
Important Definitions continued

- “Similar” means where the acquired item and the replaced item:
- (1) Are identical;
 - (2) Are designed and constructed for the same purpose;
 - (3) Constitute parts or containers for identical or similar end items; or
 - (4) Fall within a single Federal Supply Classification (FSC) group of property that is eligible for handling under the exchange/sale authority.



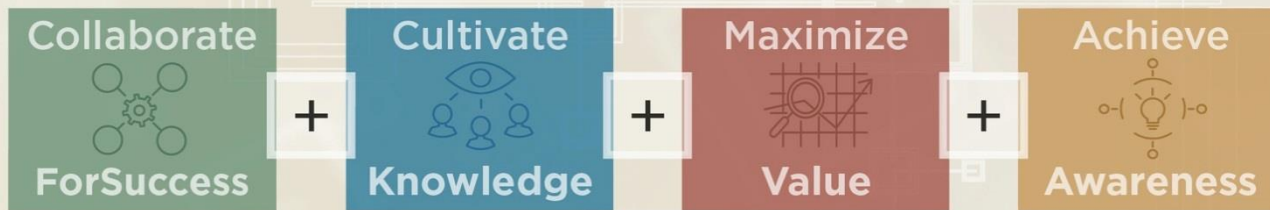
Why use Exchange/Sale?

- Exchange/Sale is used to reduce your Agency's cost of replacing personal property.
- But remember, you **MUST** use the money from Exchange/Sale to buy a “similar” item to the item exchanged or sold.



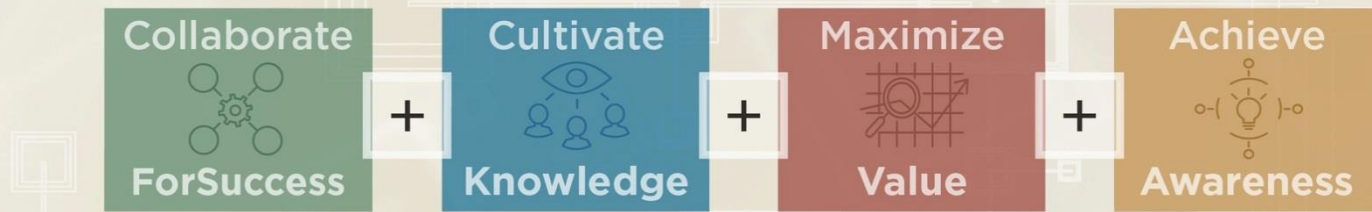
When NOT to use Exchange/Sale...

- Do NOT use Exchange/Sale if the estimated sales proceeds will be unreasonably low.
- Can NOT use Exchange/Sale for certain groups of property.



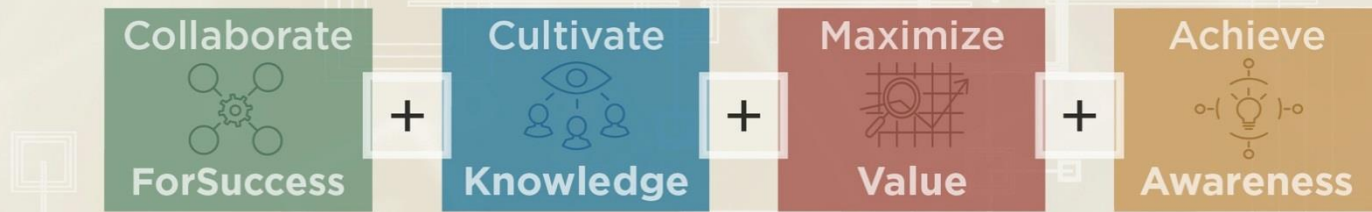
Property that Can NOT be Exchange/Sale:

- 10 Weapons
- 11 Nuclear ordnance
- 12 Fire control equipment
- 14 Guided missiles
- 15 Aircraft and airframe structural components (except FSC Class 1560 Airframe Structural Components)
- 42 Firefighting, rescue, and safety equipment
- 44 Nuclear reactors (FSC Class 4472 only)
- 51 Hand tools
- 54 Prefabricated structure & scaffolding
- 68 Chemicals and chemical products, except medicinal chemicals
- 84 Clothing, individual equipment, and insignia



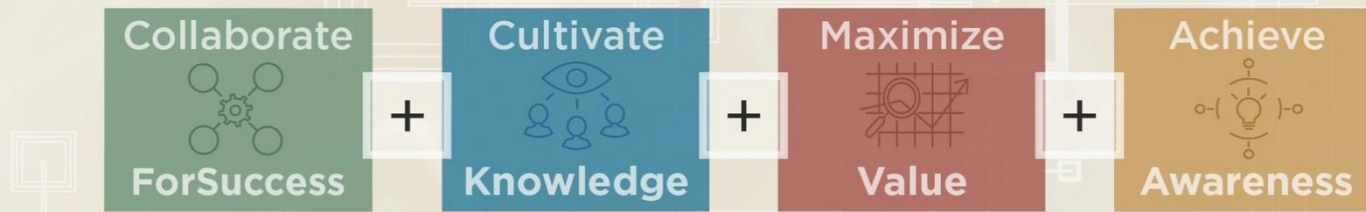
Conditions for using Exchange/Sale

- (a) The property exchanged or sold is similar to the property acquired;
- (b) The property exchanged or sold is not excess or surplus, and you have a continuing need for that type of property;



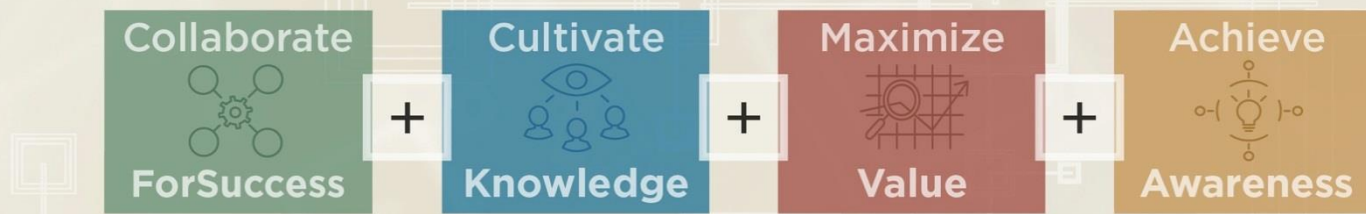
Conditions continued...

- (c) The property exchanged or sold was not acquired for the principal purpose of exchange or sale;
- (d) When replacing personal property, the exchange allowance or sales proceeds from the disposition of that property may only be used to offset the cost of the replacement property, not services; and



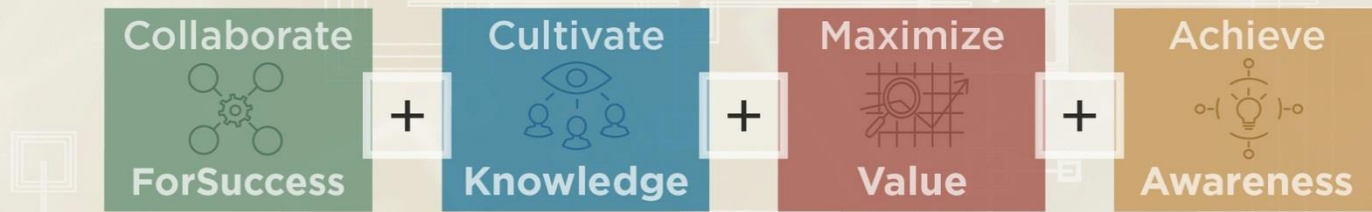
Conditions continued...

- (e) Except for transactions involving books and periodicals in your libraries, you document the basic facts associated with each exchange/sale transaction. At a minimum, the documentation must include:
 - (1) FSC Group of items exchanged or sold, and items acquired;
 - (2) Number of items exchanged or sold, and number of items acquired;



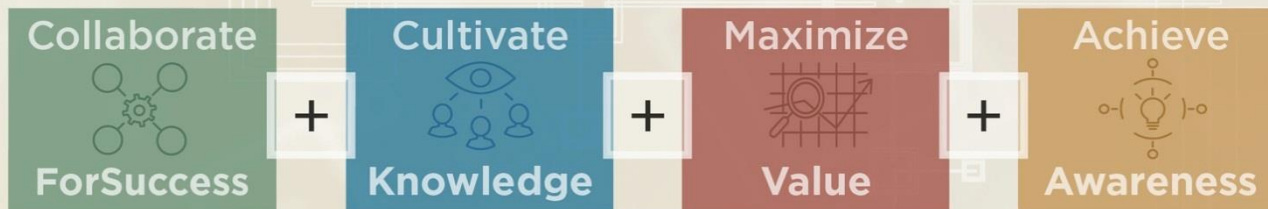
Conditions continued...

- (3) Acquisition cost , exchange allowance or net sales proceeds of items exchanged or sold, acquisition cost of the items acquired;
- (4) The date of the transaction(s);
- (5) The parties involved; and
- (6) A statement that the transactions comply with the requirements of this part 102-39



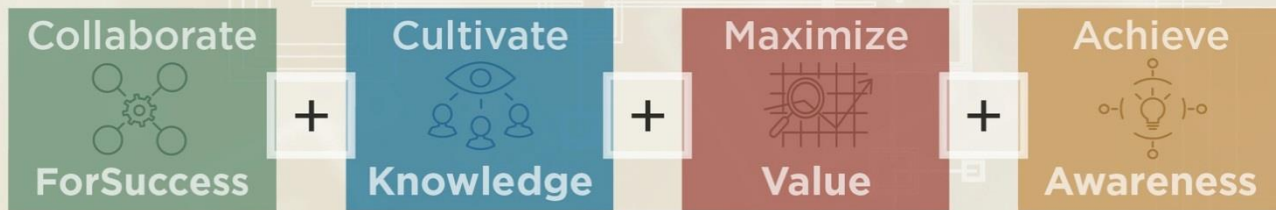
How Long Do You Have to Obligate The Money?

- The money from Exchange/Sale is available to the Agency during the Fiscal Year the item was sold; and for one Fiscal year thereafter.
- After this time period, the money goes back to the General Fund of the U.S. Treasury.



Fee for commodities other than vehicles

Asset Sales Price	Rate Per Item
\$.01 - \$1,000.00	\$250 or award amount if less than 250
\$1,000.01 – 5,000.00	25% of proceeds
\$5,000.01 – 25,000.00	20% of proceeds
\$25,000.01 – 50,000.00	17% of proceeds
\$50,000.01 – 100,000.00	14% of proceeds
\$100,000.01 – 150,000.00	11% of proceeds
\$150,000.01 – 250,000.00	8% of proceeds
\$250,000.00 and higher	6% of proceeds



Questions?

